

# **Exhibit 3**

California Power Exchange Corporation  
FERC Electric Tariff  
Third Revised Volume No. 1

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REGULATORY COMMISSION

## CALIFORNIA POWER EXCHANGE CORPORATION

## FERC ELECTRIC SERVICE TARIFF NO. 2

Filed with the Federal Energy Regulatory Commission

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affected PX Participants to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

**19.4 Accounting Change Notification.**

The PX shall notify the PX Participants of (a) any significant change in the accounting treatment or methodology of any costs or (b) any change in the accounting procedures which is expected to result in a significant cost increase to any PX Participant. Such notice shall be given at the earliest possible time but no later than sixty (60) days before implementation of such change.

**19.5 Titles.**

The captions and headings in this Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this Tariff.

**19.6 Applicable Law and Forum.**

This Tariff shall be governed by and construed in accordance with the law of the State of California, except its conflict of laws provisions; provided however, that if a party is a federal entity that party shall be governed by applicable federal law. PX Participants irrevocably consent that any legal action or proceeding arising under or relating to this Tariff to which the PX ADR Procedures do not apply shall be brought either in a court of the State of California, a federal court of the United States of America located in the State of California, or, with respect to federal entities, a federal court of competent jurisdiction. PX Participants irrevocably waive any objection that they may have now or in the future to courts located in the State of California or, in the case of a federal entity, such other courts consistent with applicable federal law, as the proper and exclusive forum for any legal action or proceeding arising under or relating to this Tariff.

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**19.7 Consistency with Federal Laws and Regulations.**

- (a) Nothing in this Tariff shall compel any person or federal entity to: (1) violate federal statutes or regulations; or (2) in the case of a federal agency, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Tariff is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation, to that extent it shall be inapplicable to that person. No person or federal entity shall incur any liability by failing to comply with a Tariff provision that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the Tariff to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.
- (b) If any provision of this Tariff requiring any person or federal entity to give an indemnity or impose a sanction on any person is unenforceable against a federal entity, the PX shall submit to the Secretary of Energy or other appropriate Departmental Secretary a report of any circumstances that would, but for this provision, have rendered a federal entity liable to indemnify any person or incur a sanction and may request the Secretary of Energy or other appropriate Departmental Secretary to take such steps as are necessary to give effect to any provisions of this Tariff that are not enforceable against the federal entity.
- (c) To the extent that the PX suffers any loss as a result of being unable to enforce any indemnity as a result of such enforcement being in violation of federal laws or

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regulations to which it is entitled under the Tariff under this Section or otherwise, it shall be entitled to recover such loss through the PX Administration Charge.

**19.8 PX Participant Requested Services.**

The PX may provide additional administrative or support services related to its authorized Tariff services at the request and to accommodate the operating requirements of one or more PX Participants at such PX Participant(s)' cost, provided that, in the judgment of the PX, such service would not have any negative effect on any other PX Participant and the requested service can be reasonably accomplished without undue adverse effect on any PX operating systems or procedures. Any such service outside of those required by the PX Tariff would be funded entirely by the PX Participant(s) requesting the changes.